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June 3, 2009

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, D.C. 20551

**Re: Docket No. R-1286**

Dear Ms. Johnson:

Bank of America is pleased to submit these supplemental comments to the Federal Reserve Board's proposed amendments to Regulation Z. We applaud the Board in undertaking to rewrite Regulation Z, and appreciate the opportunity to comment on ways the Board could provide greater clarity and certainty.

We offer the following specific comments, and requests for clarification:

Promotional Rate Expiration Notice (§226.9(c)(2)(iv)-2 and §227.24(b)(3)-4)  
We request clarification on the prior notice requirements associated with promotional rate expiration, specifically regarding the potential need to provide a *second* notice of promotional rate expiration if a conforming notice was previously provided when the promotional rate began.

The Board's clarification offered to the "skip features" comment in Regulation Z requires that creditors offering a temporary rate reduction must provide a notice in accordance with the timing requirements of §226.9(c)(2)(i) prior to resuming the original rate. Section 226.9(c)(2)(i) requires creditors to send notice *at least* 45 days prior to the effective date of a change.

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Bank of America, DC1-701-10-05  
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Some creditors, like Bank of America, have historically provided written notice of promotional offers prior to the application of the lower promotional rate (which notice would typically include all of the material terms of the offer, such as duration, conditions to loss, and rate that will apply after expiration of that period). Please clarify that Regulation Z does not now impose an additional requirement to send a *second* notice 45 days or more prior to the expiration of the promotional period, provided that a notice meeting the requirements of §226.9(c)(2) was sent at the outset. Comment 227.24(b)(3)-4 supports this position, describing a *single* advance notice of increase pursuant to Regulation Z §226.9(b) or (c).

#### Acquired Accounts (§226.7(b)(6)-6)

The Board has requested comment on the operational issues associated with carrying over year-to-date fee and interest totals for statement disclosures required by §226.7(b)(6). There may be lenders who, rather than undertaking the development costs and resource commitment necessary to comply with these and other required regulatory changes, will elect to sell their card portfolios to lenders who are equipped to comply. Lenders who buy these portfolios will simply not have the data from the sellers to meet this requirement, and will be faced with a compliance violation.

We request that the Board relieve lenders of the requirement to disclose year-to-date fee and interest total in this instance – when acquiring a portfolio from a seller that did not maintain complete aggregate data in a format capable of being transferred to the buyer – for the balance of the calendar year following account conversion to the buyer.

#### Interaction of Regulation Z and Regulation AA

In our original comment letter, we noted that Regulation Z might be a more appropriate regulatory scheme for the bulk of the issues addressed by the proposed Regulation AA. The recent passage of the Credit CARD Act of 2009, which directly addresses the same concerns and amends the Truth in Lending Act, revives and reinforces the importance of this approach.

If there were two rules and potentially two interpretations around the same underlying actions and facts there may be significant confusion. Simplicity and clarity in execution and enforcement are best served by rescinding the proposed UDAP rules and instead using them as a framework for the Regulation Z commentary to the changes brought by the Credit CARD Act of 2009.

For example, the 45 day notice, now required within 90 days of enactment of the Credit CARD Act of 2009, will draw from both UDAP and proposed Regulation Z changes. The Board should take the opportunity to have one discussion of the 45 day notice, including the fact that the notice can be sent in advance of the actual 60 day delinquency

under the Credit CARD Act of 2009; that discussion should be in the context of Regulation Z.

Conclusion

Our comments are intended to recommend changes to the clarifications which we think would improve the balance between consumer benefit and compliance burden. We recognize and appreciate the flexible approach taken by the Board in crafting these proposed rules. Thank you for the opportunity to present Bank of America's views on this important proposal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Gregory A. Baer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gregory A. Baer